**Name**: Desiree Cossette & Mike Burruano **Subject Area:**  Social Studies

**Date**:July 21,2010  **Grade Level:**  12

**Time Required:**  Block

**Description**: The teacher will introduce the six economic principles using a mini-lecture and elicit student examples applying the principles to Nyack High School. Students will then complete a quick write responding to President Obama's remarks at the AFLCIO 2007 Democratic Primary Forum. They will then watch a video called *Behind the Swoosh* and use REAP as they watch the film. This will be followed by a reading providing additional information about Nike. Students will use the reactive reader. Students will engage in a discussion relating to the positives and negatives of Nike's labor practices. Students will be expected to apply the video and the reading to a graphic organizer of the six economic principles. The post reading activity will consist of a RAFT.

**Essential Questions**:

* How can you apply the six economic principles to a real world situation?
* Do corporations have a social or moral responsibility for labor practices overseas?
* What are the effects of outsourcing on workers, businesses, and consumers?
* Formulate recommendations regarding what should be done about outsourcing and labor practices.

**Standards**:

* ELA Standards 1, 2, 3
* Social Studies Standards 4, 5

**Reading Skills**:

* setting a purpose
* literal comprehension
* evaluative comprehension
* making connections
* drawing conclusions

**Thinking Skills**:

* analyzing
* classifying
* discussing
* paraphrasing
* examining
* arguing

**Writing/Speaking Skills**:

* paraphrasing
* expressing opinions on textual evidence
* speak for critical analysis and evaluation

**Title:**  Economic Principles Applied to Nike's Labor Practices

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| Objectives:  *At the end of the lesson, students will be able to…* | Assessments:*I will know they can do this because they will…* |
| 1. Explain the six economic principles. | 1. Completion of the graphic organizer and participation in class discussion. |
| 2. Argue whether Nike has a corporate responsibility for labor practices in overseas companies. | 2. Completion of the RAFT and class discussion. |
| 3. Evaluate the positives and negatives of outsourcing. | 3. Quick write, REAP, Reactive Reader, and RAFT. |
| 4. Propose recommendations. | 4. RAFT |

## Pre-Reading

**Procedure before Reading**:

1. Mini-lecture on the six economic principles.

2. Students create their own examples based on Nyack High School.

3. Quick write on Obama's quote on fair trade at the AFLCIO 2007 Democratic Primary Forum

**During Reading**

**Procedure while Reading**:

1. REAP on the video, *Behind the Swoosh*

2. Reactive Reader on Nike reading

3. Class discussion

**Procedure after Reading:**

1. Graphic organizer apply the six principles to Nike

2. RAFT

## Post-Reading

**Learning Styles:** auditory, visual, linguistic

**Scaffolding:** modeling

**Materials**:

* six economic principles handout
* video
* Nike reading
* REAP handout
* graphic organizer
* RAFT handout

\*Please attach all student handouts

**Quick Write**

Question: The flip side of fair trade: how do you convince a working family that's struggling to get by

that buying American is still best for them, when Americans t-shirts cost $20 and imported ones are $10?

Obama: Look, people don't want a cheaper t-shirt if they're losing a job in the process. They would rather have the job and pay a little more for a t-shirt. *And I think that is something all Americans could agree to.*

Respond to this question: Do you agree or disagree with Obama's statement? Give three reasons to support your opinion.

**RAFT**

R: Nike CEO

A: American consumers

F: Short press release

T: Defend outsourcing or propose additional changes

Nike Sneakers: Economic Ideas in Action

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| **Principle** | **Evidence in Nike** |
| How much does it really cost? (Include opportunity costs) |  |
| Comparative Advantage |  |
| Externalities |  |
| Tradeoff between efficiency and equality |  |
| Trade is a win-win situation |  |
| Governments can improve economic outcomes. |  |

R E A P

*Behind the Swoosh*

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| R → Read (in this case watch) and record any words, ideas, concepts that you are uncertain about. Is there anything you need help understanding? |
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| E → Encode the facts, images, and ideas from the video into your own words. What is the video saying? What did you learn from watching the video? Explain it in your own words. |
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| A → Annotate what you saw in the video. What is the message of the video? What are some possible solutions? |
|  |
| P → Ponder what you saw in the video. Does it make sense? What questions does this video raise? What connections can you make to the six economic principles? |
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Nike

*As you read, keep in mind the six economic principles. Can you find examples?*

Nike, as well as many other companies, has faced controversy over its labor practices in developing countries. Many organizations have worked to change sweatshop practices. Nike uses contractors in China, South Korea, Indonesia, Thailand and Vietnam to produce its sneakers. Nike takes advantage of the lower wages in these countries and then sells the sneakers to countries like the United States where people can afford to pay $100 or more for a pair of sneakers. Outsourcing production leads to greater efficiency and the money saved on costs can be used for other purposes.  
  
Footwear companies have two basic options in the manufacturing of their products, they can both own and operate the factories, or subcontract out to secondary manufacturers. These facilities can be located in the United States or internationally. Firms that produce domestically benefit from ease of monitoring, a skilled workforce, government stability, and well understood labor rules, while suffering from high minimum wage requirements imposed by the U.S. government.

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| Predictions |
| Questions |

By manufacturing overseas, in particular in third world economies, factory workers receive much lower wages. This advantage is countered by the increased difficulty companies face in monitoring the quality of their products and the working conditions in the factories.   
  
Working conditions in these countries are considered unsafe, noisy, unsanitary, injurious, and very strict. The work areas are filled with dust and fumes, workers have lost fingers and limbs, and have not been allowed to go to the bathroom more than once a day. Workers have been fired for trying to organize unions or speak out against work practices and their wages.   
  
At the same time, millions of people are unemployed in these countries, and Nike jobs are highly desired, since wages are higher than the $1.50 poverty wage. About 85% of the workers are women. These countries as a whole also benefit from the large amounts of capital that are pumped into their economies. The standard of living typically rises and they gain more manufacturing expertise which could lead to production of more technical consumer products in the future such as radios, calculators, and wristwatches.

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| Your Reaction |
| Connections |

Recently, Nike has sought to improve the working conditions in factories overseas. Nike has agreed to a code of conduct to improve working conditions, including a safe and healthy workplace, full compensation mandated by law, right to collective bargaining, safe limits on total hours that people are required to work with a limit of 20 hours of overtime per week. Solvent based adhesives have been replaced by water based adhesives that do not have unsafe fumes. Any worker who does not have a high school education can get one free. Nike has contracted to have an independent auditor review practices in factories.  
  
There is still much debate over whether Nike’s factories are meeting the standards of its code of conduct.

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| Your opinion |
| Three most important ideas of the reading |